



DAVE CHITTENDEN  
Chief Deputy Director

County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

*"To enrich lives through effective and caring service"*

Telephone: (323) 267-2103  
FAX: (323) 264-7135

June 16, 2016

To: John Naimo  
Auditor-Controller

From: Dave Chittenden   
Chief Deputy Director

Subject: **BOARD AGENDA OF APRIL 14, 2016, ITEM 7 - RESPONSE TO THE SHERIFF'S DEPARTMENT – REVIEW OF TRANSACTIONS BETWEEN LOS ANGELES COUNTY AND PALANTIR TECHNOLOGIES, INC.**

ISD has implemented revisions to its procurement policy and procedures as recommended by the Auditor-Controller. Please see attached status.

If you need any additional information, please contact me at (323) 267-2103, via email [dchittenden@isd.lacounty.gov](mailto:dchittenden@isd.lacounty.gov) or your staff may contact Joe Sandoval at (323) 267-2109 or via email at [jsandoval@isd.lacounty.gov](mailto:jsandoval@isd.lacounty.gov).

GP:DC:JS

Attachment

c: James Blunt, Audit Committee Chair  
Dorinne Jordan, Audit Committee Vice-Chair  
Kieu-Anh King, Audit Committee  
Carl Gallucci, Audit Committee  
Fred Leaf, Audit Committee

## **INTERNAL SERVICES DEPARTMENT**

### **BOARD AGENDA OF APRIL 14, 2016, ITEM 7 - STATUS OF RESPONSE TO THE AUDITOR-CONTROLLER AUDIT REPORT SHERIFF'S DEPARTMENT – REVIEW OF TRANSACTIONS BETWEEN LOS ANGELES COUNTY AND PALANTIR TECHNOLOGIES, INC.**

#### **Recommendation 6**

Internal Services Department ensures that prior to issuing a purchase order, the requesting department provides sufficient information, e.g., term of service for annual support/maintenance, product description, etc., to determine precisely what goods/services are being procured and whether the items are being procured in accordance with applicable agreements.

#### **ISD Response**

We concur.

ISD will enhance its existing internal procedures to ensure that Purchasing staff (buyers) review all purchasing requests and require all relevant information from the Departments prior to issuing the purchase orders.

Target Date: November 30, 2015

#### **Status**

ISD has implemented a checklist for Requisitions (Attachments 1-3). This checklist lists all relevant data that is required from departments when processing and submitting a requisition to ISD.

#### **Recommendation 9**

Internal Services Department management finalize procurement policies that provide guidelines for additional management review and oversight of purchases that may include a service component exceeding \$100,000 annually, where the costs of goods and commodities and services are not separately identifiable.

#### **ISD Response**

We concur.

ISD is in the process of revising its existing internal procedures to incorporate additional management approval levels, to ensure adequate oversight for all purchases, including sole source purchases.

Target Date: November 30, 2015

**Status:**

ISD has implemented an approval hierarchy for solicitations (Attachment 4). Such approval includes the Section Manager, Division Manager, Purchasing and/or the General Manager, PCS as required.

**Recommendation 11**

Internal Services Department management work with County Counsel to develop procurement policies that provide guidance to Departments in situations where a vendor cannot or will not discretely identify the costs of commodity and service components of a purchase, to ensure such purchases are properly disclosed to the Board when required.

**ISD Response**

We concur.

ISD will work with County Counsel in revising existing procurement policies to require vendors to itemize commodity and service components of a purchase separately.

Target Date: February 29, 2016

**Status**

Existing ISD policies have been revised to require the vendor to separate commodity/material costs from labor/service costs (Attachment 5). The implemented approval hierarchy will identify such issues and resolve the combining of material and labor.

**Recommendation 15**

Internal Services Department request that Palantir includes in all future invoices a separate line item for sales tax, and a representation as to who has paid or is responsible for paying the taxes to the Board of Equalization.

**ISD Response**

We concur.

ISD will work with County Counsel in revising existing procurement policies to ensure that each purchase includes a separate line item for sales tax and identify the party responsible for the payment of taxes.

Target Date: February 29, 2016

**Status**

ISD's solicitation Terms and Condition boilerplate language has been revised to require vendors to provide their California Seller Permit Number or their Seller's Certificate of Registration Number for Use Tax purposes. In addition, vendor's required to distinguish material cost from labors, as well as applicable sales tax on all invoices. (Attachment 6).

# Requisition/Solicitation Checklist

Requisition #

Solicitation #

Closing Date:

Commodity/Service:

PCA (Buyer):

Requisition Review:	✓ If Completed	Comments:
• Accurate Requisition/SOW/Specification Received	<input type="checkbox"/>	
• Pre-Payment/Payment Schedule Required	<input type="checkbox"/> Yes <input type="checkbox"/> No	
• Sole Source Documents Required/Received?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
• Requisition Checklist	<input type="checkbox"/>	
<b>Standard T&amp;C Review:</b>	<b>✓ If Completed</b>	
• Page 1, item 1 - Delivery Days ARO	<input type="checkbox"/>	
• Page 1, item 2 - Discount Offered	<input type="checkbox"/>	
• Page 1, item 3 - Bid Bond Required	<input type="checkbox"/>	
• Page 1, item 6 - FEIN or SS provided?	<input type="checkbox"/>	
• Page 1 - Authorized Representative Signature	<input type="checkbox"/>	
• Page 7 - Participating Municipalities	<input type="checkbox"/>	Agreed? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Page 9 - LSBE	<input type="checkbox"/>	Preference Verified? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Page 11 - GAIN/GROW	<input type="checkbox"/>	Complied? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Page 12 - Prohibition Against Child Labor	<input type="checkbox"/>	Complied? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Page 15/16 - Jury Service	<input type="checkbox"/>	Complied? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Page 17 - Safely Surrender Baby Law	<input type="checkbox"/>	Complied? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Page 18 - Independent Price Determination	<input type="checkbox"/>	
• Page 19/20 - Proposer Organization Questionnaire	<input type="checkbox"/>	
• Page 21 - Off Peak Delivery	<input type="checkbox"/>	
• Page 23 - Transitional Job Opportunities	<input type="checkbox"/>	Preference Verified? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Page 24 - Default Property Tax	<input type="checkbox"/>	
• Page 25 - Electronic Catalog Required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If Yes, complied? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Page 26 - Disabled Veteran Business	<input type="checkbox"/>	Preference Verified? <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Special T&amp;C Review :</b>	<b>✓ If Required</b>	
• Contractor's License # (B0142)	<input type="checkbox"/>	
• Prevailing Wages (B0268/B0141)	<input type="checkbox"/>	
• Indemnification and Insurance (B0152/A0046)	<input type="checkbox"/>	Cert. of Ins Received? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Failure to Maintain Insurance (B0156)	<input type="checkbox"/>	
• Insurer Financial Rating (B0153/A0047)	<input type="checkbox"/>	
• Automobile Liability (B0145/A0040)	<input type="checkbox"/>	
• Workers' Comp & Employer's Liability (B0146/A0041)	<input type="checkbox"/>	
• Prof. Liability/Errors & Omissions (B0147/A0042)	<input type="checkbox"/>	
• Property Coverage (B0148/A0043)	<input type="checkbox"/>	
• Crime Coverage (B0154/A0044)	<input type="checkbox"/>	
• Technology Errors & Omissions	<input type="checkbox"/>	
• Privacy/Network Security (Cyber) Liability	<input type="checkbox"/>	
• Performance (Security) Bond (B0150)	<input type="checkbox"/>	PB Received? <input type="checkbox"/> Yes <input type="checkbox"/> No
• Authorization - Mfg./Distributor/Service Provider/Reseller (G0010)	<input type="checkbox"/>	Mfg./Distributor Letter Received? <input type="checkbox"/> Yes <input type="checkbox"/> No
Exceptions to T&Cs?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Specifications/ SOW Review:</b>	<b>✓ If Required</b>	
• Completed SOW Received? "As Specified" Or Exceptions?	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

# Requisition Checklist from Departments

Revised September 15, 2014	Specifications/SOW	Vendor quotation / Invoice (current)	Vendor's T&C's (if any)	Sole source justification (8 questions)	Sole Source / No reseller Letter from Mfg.	CL0001 - checklist for service requisitions	Board Health Deputies Notification (for Health Svcs only)	CEO Approval	CIO Approval*	Adopted Board letter	County loan agreement and justification letter	Trade-in form 635	Justification letter from the level of Admin Deputy or higher and invoice	Payment Schedule, if requested/required
Confirming requisition - authorized		x												
Confirming requisition - unauthorized		x											x	
Equipment - taxable	x	x												x
Equipment - LAC-CAL	x	x						x						
Equipment - over \$250,000.00 per unit cost	x									x				x
Equipment and Service (Capital project)	x	x						x		x				
Equipment of the above with trade-in item												x		
Equipment (sole source)	x	x	x	x	x									x
Equipment - for evaluation											x			
Exempt from Sole Source		x		x										x
Food (over \$500)										x				x
Labor/Installation	x													
Service	x	x				x								x
Service - Preventive Maintenance, repair, etc. (sole source)		x	x	x	x	x								x
Service - Consultant/Personal (sole source)		x	x	x	x	x	x							x
Service - Consultant/Personal	x	x	x			x	x							x
Supplies/Software	x	x							x					x
Supplies/Software (sole source)		x	x	x	x				x					x
Software - for evaluation														
Software - Maintenance		x	x	x							x			x

\* CIO Approval is required for software purchases where aggregate total exceeds \$5,000. This includes purchases for new licenses, additional licenses, or upgrades to existing software

\*\*Facilities must attach the above listed documents to eCAPS requisition electronically before submit final to ISD.\*\*  
Do not need board health deputies notification for public health; per email dated 8/24/10 between Gerry and Ada.

## Indemnification/Insurance/Performance Bond Terms &amp; Conditions Requirements

## Purchasing Division

Clause Title	Solicitation Clause Number	Agreement Clause Number	Equipment-only Purchase	Furnish & Install Equipment	Repair of County-owned Equipment on Vendor Premises	Consultant	Transportation Services for Elderly/Children	Software License	IT Consulting, Data Conversion, Migration Programming Services	Hardware (Equipment) Maintenance Service Contract
Indemnification and Insurance	B0152	A0046	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Failure to Maintain Insurance	B0156	N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Insurer Financial Rating	B0153	A0047	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Insurance Coverage: Commercial General Liability	B0144	A0039	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Automobile Liability	B0145	A0040	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(2)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(2)	<input checked="" type="checkbox"/>
Workers Compensation and Employers' Liability	B0146	A0041	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(3)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(3)	<input checked="" type="checkbox"/>
Professional Liability/Errors and Omissions	B0147	A0042	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property Coverage	B0148	A0043	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Crime Coverage	B0154	A0044	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Technology Errors & Omissions Insurance	TBD	TBD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Privacy/Network Security (Cyber) Liability	TBD	TBD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual Misconduct Liability	TBD	TBD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Performance Security (Bond) Requirements	B0150	N/A	<input checked="" type="checkbox"/>	(4)	(4)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Footnotes:

- (1) Required if equipment is being delivery by Vendor-owned vehicles or non-common carrier  
 (2) Required if Vendor is driving his/her vehicle onto County premises  
 (3) Required if Vendor has employees that are working on the County project  
 (4) Required if project is over \$50,000

## Solicitation & Request for Proposal Sign-Off

I have reviewed all the documents associated with solicitation # \_\_\_\_\_ and have approved as follows:

Principal Purchasing Analyst: (solicitations up to \$50,000)

\_\_\_\_\_  
(initials)      \_\_\_\_\_ approved as is  
                  \_\_\_\_\_ approved with revisions  
                  \_\_\_\_\_ not approved

Section Manager: (solicitations of \$50,001 - \$250,000; All RFP's)

\_\_\_\_\_  
(initials)      \_\_\_\_\_ approved as is  
                  \_\_\_\_\_ approved with revisions  
                  \_\_\_\_\_ not approved

Division/Assistant Division Manager: (solicitations of \$250,001K - \$1M; All RFP's)

\_\_\_\_\_  
(initials)      \_\_\_\_\_ approved as is  
                  \_\_\_\_\_ approved with revisions  
                  \_\_\_\_\_ not approved

General Manager: (solicitations greater than \$1M; all RFP's)

\_\_\_\_\_  
(initials)      \_\_\_\_\_ approved as is  
                  \_\_\_\_\_ approved with revisions  
                  \_\_\_\_\_ not approved



<b>Title:</b>  <b>SALES OR USE TAX</b>		<b>Contents:</b> <b>M-1200</b>
		<b>Submitted By:</b> <b>Purchasing Division</b>
		<b>Approved By:</b> <b>Purchasing Agent</b>
<b>Effective Date:</b> <b>06-13-16</b>	<b>Supersedes No.:</b> <b>12-01-01</b>	<b>Page No.</b> 1        of        1

### **Sales Tax**

The County of Los Angeles is required to pay California state sales tax on all taxable (tangible personal property) purchases. The County does not maintain an exemption status and is subject to the payment of sale tax on all purchases.

### **Purchases From Vendors with Valid Seller's Permit**

The County shall pay sales tax on taxable purchases from vendors who possess and maintain a California State "Valid Seller's Permit." as required by the California State, Board of Equalization. Vendors who sell personal property from outside of the State of California and possess a valid California seller's permit shall pay the sales tax. Departments may verify the seller's permit number by contacting the California State Board of Equalization, or via the Internet at, [www.boe.ca.gov/](http://www.boe.ca.gov/).

Note: Vendor's without a "Valid Seller's Permit" may not remit the sales tax to the State of California, Board of Equalization; therefore, the County (i.e., department) will be subject to payment of the sales tax. The County (department) is subject to audits by the State of California, and may be liable for payment of sales tax on purchases made from previous years.

### **Awards/Invoices**

All awards and vendor invoices shall distinguish material costs from labor costs. Invoices shall reflect sales tax where applicable.

### **Surplus Personal Property**

The sale of County surplus personal property is subject to California sales tax. Buyers of County surplus property must pay California sales tax unless they can provide a valid California seller's permit number.

STANDARD TERMS & CONDITIONS	REQUEST FOR BID SO NO : RFB-IS-00000000045-1	
COMPANY NAME :	BID DUE: 02/15/07 3:00:00 PM	PAGE 2

1. Responses to Requests for Bids are to be delivered to the County Purchasing Agent by 12:00 noon on the date set forth above, at which time the responses will be publicly opened and, if requested, publicly read. Responses to Requests for Quotations are to be delivered to the County Purchasing Agent by date and time set forth above. There will be no public opening or reading of these responses. (See title of this solicitation in top left-hand corner of this document.) Fax responses will not be accepted unless noted in writing. Any response received after the closing date/time set forth in the solicitation document will be considered late, non-responsive and will be returned to the responder, unless the County Purchasing Agent determines that it is in the best interest of the County to accept it.

2. All bids shall be typewritten or in ink. No erasures permitted. Mistakes shall be crossed out and corrections typed/inked adjacent, dated and initialed.

3. State brand name or make on each item. If quoting other than item specified, include the manufacturer's name, a product description and model number.

4. Bid each item separately. Prices must be stated in units specified hereon.

5. Each bid must be in a separate sealed envelope with both the bid number and closing date plainly visible on the envelope. Bid must be received at the place, time and on the date specified. Bidders are responsible to assure each bid is properly marked and timely delivered. County assumes no financial obligations for preparation and submittal of bid. Submit bids as indicated hereon. Bidder shall be solely responsible for understanding the specifications and requirements.

6. Time of delivery is a part of the consideration and must be stated in definite terms and adhered to. If time varies on different items, bidder shall so state in the column provided opposite the item. Unless otherwise noted, "days for delivery" or "days from receipt of order" mean calendar days.

7. An authorized officer or employee must sign with the Firm's name on all bids. Obligations assumed by such signature must be fulfilled.

8. Unless otherwise definitely specified, prices bid shall not include sales or use taxes. Bidders are required to provide their California Sellers Permit Number or their Sellers Certificate of Registration-Use Tax Number. Failure to provide the required information will prevent the County of Los Angeles from paying Sales/Use Tax to your company.  
SELLERS PERMIT # \_\_\_\_\_  
CERTIFICATE OF REGISTRATION # \_\_\_\_\_

(If you are uncertain as to whether you have such a number or have any questions, please contact the State Board of Equalization at WWW.BOE.CA.GOV OR CALL 1.800.400.7115.)

9. All charges, e.g., packing and installation, must be included in the bid. No charges will be allowed unless specified in the bid.

10. County reserves the right to waive, at its sole discretion, any formality in the bidding or evaluation in order to expedite the process, accommodate minor error, or respond to unforeseen circumstances, and to reject any or all bids and to reject any items thereon. County may, at its sole discretion, cancel this solicitation at any time prior to award.

11. If required, samples of items shall be furnished at no cost. Samples are not returnable; County will dispose of at its discretion. Unless specifically requested, bidders shall not submit samples. Cost of testing will be as stated herein.

12. Bids are subject to acceptance at any time within 30 calendar days of the closing date stated hereon, unless otherwise specifically stipulated.

13. County shall not return bids for change/correction after receipt.

14. Insurance, surety and performance bonds shall be in the amounts set forth hereon.

15. All factors being equal and to the extent authorized by law, County shall prefer products grown, manufactured or produced in the County of Los Angeles, and then in the State of California. To qualify for such preference, bids must definitely and conspicuously state whether the items are wholly or partially grown, manufactured or produced in the County of Los Angeles or the State of California.

16. Bids must include employer's identification number as assigned by the U.S. Treasury Department.

17. If you do not bid, return this solicitation ("Request") and state reason, or if you do not respond or do not submit a bid for (3 consecutive Requests, you may, at County's sole option, be removed from the mailing list.

18. Inspections and examinations or failure to so do is at bidder's sole risk. The specifications set forth herein are controlling and supersede any other information, oral or written, regarding this acquisition.

STANDARD TERMS & CONDITIONS	REQUEST FOR BID SO NO : RFB-IS-00000000045-1	
COMPANY NAME :	BID DUE: 02/15/07 3:00:00 PM	PAGE 4

ALL AWARDS FROM THIS BID WILL BE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS OF PURCHASE:  
TERMS AND CONDITIONS OF PURCHASE

1. CONDITIONS OF PURCHASE; This order shall be in accordance with these terms and conditions and any attachments hereto. No other conditions or modifications of these terms and conditions will be effective unless specifically agreed to in writing by the County of Los Angeles ("County") Purchasing Agent. Failure of County to object to provisions contained in any acknowledgment, document or other communications from Vendor shall not be construed as a waiver of these terms and conditions or an acceptance of any such provision.
2. DELIVERY: Delivery shall be as stated herein. When using common carriers, County reserves the right to designate the transportation carrier. Failure on the part of Vendor to adhere to shipping terms specified hereon or contained in a written agreement for this purchase may, at County's discretion, result in additional handling costs being deducted from Vendor's invoice. Cost of inspection on deliveries or offers for delivery which do not meet specifications will be for the account of Vendor. Unless otherwise set forth herein, all items shall be suitably packed and marked. Purchase Order number must be on all shipping documents and containers.
3. INVOICES; Invoices shall include the Purchase Order number, which is located in the upper right hand corner of the Purchase Order. Invoices must state that they cover, as the case may be, complete or partial delivery, and must show units and unit prices. Invoices will not be paid unless and until the requirements have been fully met. When price shown is a delivered price, all transportation and delivery charges must be prepaid in full to destination. Vendors shall distinguish material costs from labor costs on all applicable invoices. Invoices shall reflect sales tax amount for each item where applicable.
4. PRICE/SALES TAX: Unless otherwise specified herein, the prices herein do not include sales or use tax. No charges for transportation, containers, packing, unloading, etc., shall be allowed unless specified herein.
5. PAYMENT TERMS: Unless otherwise specified herein, payment terms are net 30 days from the date County receives a correct and proper invoice. In no event shall County be liable for any late charges, Cash discount periods shall be computed either from the date of delivery and County's acceptance or the date of County's receipt of correct and proper invoices, whichever date is later, prepared in accordance with the terms herein.
6. WARRANTIES; Vendor shall, at no cost to County, promptly correct any and all defects in the items/services provided hereunder. Vendor shall also reimburse County for any costs incurred as a result of defect(s). The term of this warranty shall be as set forth in the Purchase Order, or if no term is shown, ninety (90) days from the date of County's acceptance of the item/service. Vendor warrants that items may be shipped, sold and used in a customary manner without any violation of any law, ordinance, rule or regulation of any government or administrative body.
7. CANCELLATION; Unless otherwise specified herein, County may cancel all or part of this Purchase Order and/or Contract at no cost and for any reason by giving written notice to Vendor at least thirty (30) calendar days prior to scheduled delivery. A cancellation charge not exceeding one percent (1%) of the value of the cancelled portion of the Purchase Order and/or Contract may be charged County for cancellation with less than thirty (30) days prior written notice.
8. HAZARDOUS MATERIALS: Vendor warrants that it complies with all Federal, State and local laws, rules, ordinances and regulations concerning hazardous materials and toxic substances.
9. COVENANT AGAINST GRATUITIES: Vendor warrants that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Vendor, or any agent or representative of Vendor, to any officer or employee of County with a view toward securing this Purchase Order or favorable treatment with respect to any determination concerning the performance of this Purchase Order. In the event of breach of this warranty, County shall be entitled to pursue the same remedies including, but not limited to, termination, against Vendor as it could pursue in the event of Vendor's default.
- 10.0 CONFLICT OF INTEREST:
  - 10.1 No County employee whose position with County enables such employee to influence the award of the Purchase Order or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Vendor, or have any other direct or indirect financial interest in this Purchase Order. No officer or employee of Vendor, who may financially benefit from the award of this Purchase Order shall in any way participate in County's approval or ongoing evaluation of this purchase.
  - 10.2 Vendor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Purchase Order. Vendor warrants that it is not aware of any facts which create a conflict of interest. If Vendor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.
11. GOVERNING LAW AND VENUE: This Purchase Order shall be governed by and construed in accordance with the laws of the State of California. Vendor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Purchase Order, and further agrees and consents that venue of any action hereunder shall be exclusively in the County of Los Angeles, California.
12. INDEMNIFICATION: The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.